3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

Communist control and to emphasize the importance of professional training and experience. At his suggestion, on the 23rd of May, Dr. Pamer, a former Police President, replaced a Communist as Police President of Vienna. Finally, on the 13th of June, the whole force was formally taken over by the Police Directorate, a purely Austrian authority.

By July the Vienna police were nearly 7,500 strong, though only some 1,000 of them had had previous police experience and many still owed their position to their political opinions. In September, at British instigation, the first meeting of the Allied Public Safety Committee was called. From then on the Austrian police were under Quadripartite supervision, and the three Western Powers were able to counterbalance Russian influence.

Dr. Renner's main concern, after his first few months in office, was to ensure the real unity of Austria. The Provisional Government had announced the restoration of the Austrian Republic and declared itself to be the Government for all Austria. Yet *de facto* its authority still only extended to those parts of the country that were occupied by the Russians; that is to say, Vienna, Burgenland, Lower Austria, and parts of Upper Austria and Styria. The Chancellor's two aims were to obtain the recognition of the Four Powers for his Government and reintegrate the country under its control. The continued division carried with it real dangers. Economically, the position was absurd. In so small a country, each part was dependent on the others for its survival. But the iron of Styria was cut off from the engineering industries of the Russian zone. The salt and meat of Salzburg and the Tyrol could not be brought to Vienna, and the oil, grain, and potatoes of Lower Austria were not available to the West. It had always been difficult to feed Vienna. Yet the task had become impossible in a house, as Dr. Renner put it, 'where the larder was walled off from the kitchen by zonal frontiers'.

Since 1918 the mutual suspicion between Vienna and the provinces had been a menace to the country as a whole. The interests of the city and the rural areas were utterly different,

3: Hiscocks G~4, 5 (1946-1949) 1953 EK1 Austria EK1

a time when the country was struggling to rebuild its economy, one of its main sources of wealth was in a state of convalescence.

Highly skilled workers are one of Austria's chief economic assets, and between the Wars consumer-goods and luxury industries played an important part in her economic life. This side of her economy declined seriously during the German occupation. As part of the deliberate plan to turn the country into an arsenal, workers were diverted from secondary industries and agriculture to the large new war-production centres that were established.

The great Hermann Goering Iron and Steel Works were set up at Linz, with their own coking plant. Sixty miles away at Ranshofen near the River Inn a big aluminium plant was built. There were several reasons for these developments. The fundamental idea was to provide a reserve of vital war industries in a district less vulnerable to enemy attack. Just as the Russians transferred some of their main war industries to Central Asia, so Hitler wanted to have some of his production centres farther away from Allied bomber bases. Secondly, there were certain economic considerations in favour of the two sites. Both were on important waterways. Linz was some sixty miles from the iron ore of the Erzberg, or Iron Mountain, in Styria and not far away from the low-grade ore of Bavaria. Ranshofen was reasonably close to the Hungarian bauxite deposits and conveniently situated in relation to the Third Reich's electricity network, cheap current being the main consideration in the siting of an aluminium works. Further, there were reasons of sentiment and prestige for the choice of location. Hitler was born in Braunau, a few miles from Ranshofen, and went to school in Linz. It seemed fitting that the scenes of the Führer's youth should become centres of war production.

From the purely Austrian point of view, however, such developments were not so satisfactory. Hardly one of the considerations that influenced German leaders would have carried weight with an independent Austria. The strategic and sentimental arguments were both irrelevant. Neither Bavaria nor

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727 Hungary could be relied on to supply iron ore or bauxite, and
327 the existing iron and steel works at Donawitz in Styria were
328 better situated than Linz to handle ore from the Iron Mountain.
438 Ranshofen was not well placed in relation to Austrian supplies
of electric power. Above all, the Hermann Goering Works were entirely dependent on the supply of hard coal for their coking furnaces, and Austria was already seriously short of this essential commodity. Whereas Hitler had the coal-fields of Poland and Czechoslovakia at his disposal, Austria in pre-War years had already been dependent on imports for two-thirds to three-quarters of her coal supply. The requirements of the Linz works made the position much worse.

727 The new developments implied a fundamental change of
438 emphasis in the whole national economy, and it was by no means certain, or even likely, that the change would be for the better. It would probably have been sounder for Austria to rely on the traditional skill of her workers in the consumer-goods industries than to attempt to compete with the most powerful industrial countries in basic production. The dangers might not be apparent in the immediate post-War years, owing to the inflated demand for iron and steel products, but they were likely to reveal themselves in the course of time. A serious depression in the world's basic industries or a failure to obtain the coal and raw materials on which Austria's basic industries depend might have very serious consequences on the country as a whole. The choice, however, was not Austria's own. The change that occurred was the main positive legacy of the period of Nazi occupation.

727 Two of Austria's chief natural resources are her mineral
315 oil and her hydro-electric power. These were developed by the Germans rapidly during the War, but in each case with little regard to Austrian interests.

Under happier conditions Austria's oil-fields would have raised her from a struggling country to a prosperous one. It is one of the hardest blows that have fallen on the Austrian people that such a gift of Providence should have been exploited successively by two unscrupulous foreign Powers and should

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ROUNDING OFF THE PICTURE. The broad belt of mountains whose waters flow into the Carinthian basin, towards which their valleys also run, and the uniform transport network which has consequently developed and has its centre here, have helped to give Carinthia remarkable political and economic unity.

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Within its confines there are no dividing barriers. No one area of Carinthia could exist independently of the others. They supply one another's needs. Without serious loss no one of them could be separated from the others and attached to some neighbouring economic territory dependent on a too distant centre. Their life is indissolubly united with the whole Carinthian plain and its towns which are the essential nerve-centres—Klagenfurt, with its government-offices and most of the higher schools, a scientific centre of the Geschichtsverein (Historical Research Society) for Carinthia and the museum collections provides for administration and cultural life, Villach as a railway junction of great importance looks after the technical requirements of the communications system. These two towns with St.-Veit-on-the-Glan and the rest of the smaller towns give the area its necessary economic backing.

Thus this compact organisation is permeated by all those elements of which the living body of Carinthia is constituted. It is surrounded by the eternal symphony of colourful scenery, interesting through its peculiar mingling of culture and national dress, exciting by virtue of the far-away magic beyond its frontiers.

133 and raftsmen, leaving Altenmarkt behind it, the Enns, today the favourite torrent for adventurous souls in collapsible boats, flows across the frontier into Upper Austria.

[496] From Selzthal the railway runs upstream along the left bank of the Enns to Radstadt and Bischofshofen in the province of Salzburg. All along its course northwards stands a chain of the characteristic peaks of the Kalkalpen in exciting divergency—Hochmölbing, Totes Gebirge, Hochtausing, Grimming, Stoderzinken and the lower flanks of the massive Dachstein. Different again, less wild, but as unique in their own way, are the forested subalpine hills which run off here to the left. Behind them lies the wilderness of the Niedere Tauern with their many lakes.

361 Liezen at the northern edge of the valley, mention of which occurs in documents
● [438] of 900 years ago, was the most important transport junction before the railway came into being. Trade and barter brought prosperity from the salt carriers and the traders who arrived by way of the Pyhrnstrasse. The growth of the neighbouring town of Selzthal has brought losses to the former roadside settlement, but the persevering inhabitants have found other means of livelihood and today its flourishing industries have raised Liezen to the status of a town.

[529] Wörschach, a pleasant and peaceful spot at the entrance to a gorge, attracts from afar holiday visitors and health seekers year after year to the healing springs of its radio-active sulphur baths. Mountaineers and ski-ers climb from here into the mountain world of Hochmölbing, Warschenegg and Hochtausing, the climber often finding summer conditions on the verdant heights of the Schneehitzalm and the Bärenfeuchten between the numerous herdsmen's huts. The mere pedestrian crosses the Taschnermoos within view of the towering Grimming and goes on to the Putterersee by way of Aigen.

[346] From Wörschach the road leads westwards to Niederhofen, whose little gothic church deserves the attention of all lovers of art—and of Styria. This building contains curious tempera paintings from about the year 1500 and three carved altars from the 17th century. According to Ferdinand Tremel, the Styrian historian, we have in it one of the oldest churches of the Enns Valley. In Stainach, to which the junction of the Salzkammergut electric railway and the Bischofshofen—Selzthal line have brought new life and trade, we catch sight of the rocky nest of "in der Pürgg" above. The great gothic church there, noteworthy for its antiquity as well as for its unusually artistic architecture, well earns its local name of "Steyrisches Kripperl" (Styrian Crib). Inns and farmhouses surround it, completely filling the gap in the rocky cliffs.

On the other side of the valley lies Irdning, an impressive market-town whose busy life confers many advantages on the wide mountainous hinterland.

From Liezen onwards one is impressed again and again by a mountain which rises above lower wooded heights like a vast, glittering castle of rock—the Grimming.

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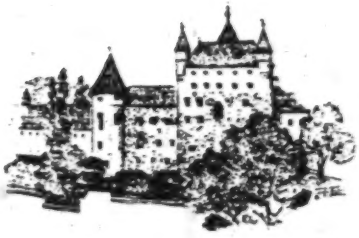

Schwertberg.

Downstream the raftsmen see from afar the massive blocks of the city tower of Enns. Known already to the Romans, Enns has been since olden times an important depot for salt, wood and iron. Goods not discharged there for road transport, stayed on the barges until the Danube Maut (customs house) was reached. The market-town there is still known as Mauthausen, and commands the waterway to Vienna and Hungary.

[316] IN THE MÜHLVIERTEL. In the great quarries carved out of the steep Danube cliffs one glimpses the primitive Mühlviertel scenery, based literally on granite. How many blocks of it have been cut and shipped upstream and downstream from Mauthausen, and used to build railways, roads and bridges, making the name of this picturesque market-town known throughout Europe! On the same bank further downstream before the Danube enters the narrows of the Strudengau is a fertile stretch of land known as the Machland. The chief town is Perg, once famous for its sandstone quarries from which millstones were cut. Close by is Baumgartenberg, which rises abruptly with the massive tower of its entrance gates and its high-roofed church out of the spreading orchards.

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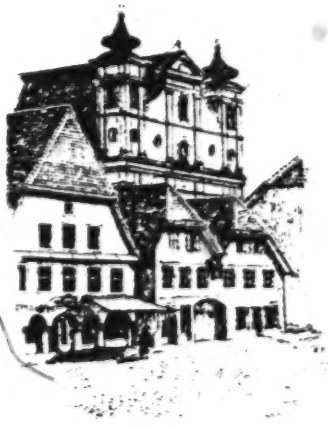


133 *Steyr: the old Dominican Church.*

A secular building of equal interest is the massive Greinburg with its granite arcades built on a cliff jutting out towards the Danube, dominating the town of Grein, framed by the forests and reflected in the waters of the Danube. Ships navigating this part of the Danube have to be on the lookout for rapids and whirlpools. Warnings are exhibited on the banks near danger spots and where necessary, hoisted on flag poles. The tugs toil upstream laboriously hauling heavily-laden barges past the picturesque riverside villages of Sarmingstein and St. Nikola.

Northwards from Perg and Mauthausen the Mühlviertel countryside broadens

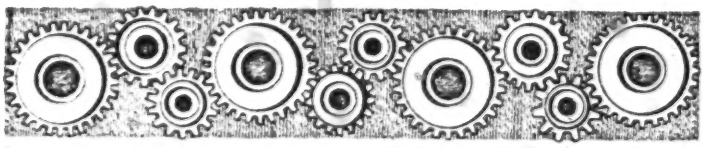
722 until in the final stage the whole country became a battlefield. Thus apart from the considerable consumption of stocks and capital goods owing to war production, there was a great deal of material damage.

727 In addition to the losses directly caused by
438 the war, new restrictions arose for Austrian trade at the conclusion of the fighting. The internal trade links of the country had to a great extent been disrupted through the setting up of four zones of occupation. At a time when in view of the tremendous losses it would have been advisable to ensure the full development of all the means of production, the necessary connections between the various parts of the country could often only be established or maintained under the most difficult circumstances. It is perhaps typical of this period that the various provinces entered into barter agreements with foreign countries independently of one another, often in order to get goods which would have been available within the country itself had unhindered trade been possible.

727 During the first days after the liberation a goods vacuum arose. Transport had almost completely broken down owing to the extensive destruction of roads and bridges and the lack of the necessary vehicles. Clearance and repair work was first necessary before trade activity could develop at all, and if the Allied Forces of Occupation and UNRRA (as well as other help granted by Congress, private charity organisations and credits) had not aided in bridging the gap,

the payment of interest on deposits since the beginning of 1949. On the other hand, credit demands on the banks resulting from the economic revival are so numerous that they are hard to meet, however severely they are scrutinised. This is all the more the case since Austrian industry, owing to the extensive damage and losses suffered by it during the last stages of the war and after its end, has a great need of capital and long-term credit for investments, as well as of business credit. In such cases, where genuinely justified demands for credit are concerned, the Marshall Plan will be of assistance. The main idea of this is to permit the technical modernisation of Austria's system of production, thus increasing her ability to compete in the international field, to encourage full exploitation of her natural assets, and to provide the country with a sufficient amount of raw materials essential to production during a certain initial period. It is to be hoped that this measure will assist Austria to attain economic independence and help towards the re-establishment of her position in international commerce.

The Austrian banks have a further duty indispensable to the security of smoothly running finance in the re-establishment of the Vienna Stock Exchange as the proper market for dealing in shares, not only to serve legitimate private interests but also to prove itself a suitable medium for the State issues which must be expected.



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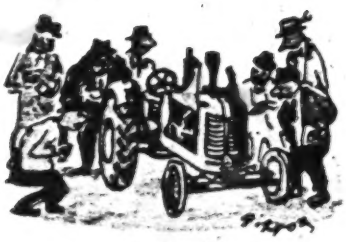

Day, who transported his goods by one of the prescribed highways enjoyed, no matter whence he came, the local governor's protection for his person, his goods and his waggons, a truly enviable privilege in the unsettled times of the closing 13th and the 14th century.

During the Middle Ages it was open to anyone from every country to bring what goods he liked to the two great Vienna markets, with the exception of wine and beer, which were available in abundance on the spot, and of excellent quality. People of every trade and every guild could sell and offer their wares freely.

After the Turkish Wars there was a fresh revival of Vienna market life in the 18th century. But then the discoveries of the weaving loom and the steam-engine began to take effect on production and trade. In the 19th century the railway rendered goods fairs superfluous and the markets began to be transformed into sample exhibitions.

The economic system of the Austro-Hungarian Monarchy was so well-balanced that it had at first no need of any special display of sample products within its frontiers. The exchange of goods between the agrarian and the industrial areas went on smoothly and although samples of all the products of the Empire were occasionally displayed at great exhibitions—Vienna owes the building of the Rotunde to the Great Exhibition of 1873—there was actually no need of special methods to advertise or boost them, for demand and supply were well adjusted, and connections between producers and their customers dated from the times of their fathers and grandfathers.

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After 1918 more than a third of Austria's population was engaged in industry and commerce, nearly a further third being occupied with agriculture and forestry. In both cases the small or medium sized concerns were predominant, a fact which explains the ability of Austrian economy to weather the storms of crises. It had never taken special measures to promote war industries. Never through war, but through the years of peace had the Empire prospered. When in 1866 Austria lost the war against Prussia it was because, despite the better training of her troops, the Austrian rifle was inferior to the Prussian.

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It is in concerns in which intensive labour and detail is important that the individual talent of the Austrian can find expression, not in great concerns resorting

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to capitalistic mass production methods. Thus at the Vienna Fair one finds a varied profusion of articles and goods. On the stalls and in the various departments in the halls and pavilions are to be found samples of all the industrial, commercial or agricultural goods produced in Austria, from the simplest tools to complicated precision and tool-making machinery, from building materials to the most modern power plant. Commerce, industry and agriculture unite here to present a complete picture of the Austrian economy.

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Agriculture plays a big rôle in the Fair, which not only provides farmers with an opportunity of selecting their requirements in tools and machinery but also a choice of advertising methods to aid them in selling their own products. The latest developments in many fields are displayed with pride—stock-raising, grafting, crossing, products of the soil, qualitative and quantitative record achievements of every kind from field, stable, vineyard and forest.

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The Vienna Fair, which is for the Austrian producer the most successful sales market and the most effective propaganda organisation at his disposal, is for the foreign producer not merely a place where he can find just Austrian products and customers. So many foreign firms take part that apart from Austrian goods, eastern and south-eastern European wholesale and retail trades are well represented. In Vienna producers, traders and direct consumers meet from the whole of Europe and from the Near East as well as the Balkans, offering many possibilities of transit deals. Here the agrarian East of Europe and the industrial West exchange their wares.

The Vienna Fair is international and is open for all commodities and to all firms from all countries. There are at least 19 countries to be found regularly represented